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REVIEW OF RECENT DEVELOPMENTS IN SUBREGIONAL
INTEGRATION IN EASTERN AND SOUTHERN AFRICA

INTRODUCTION

This report reviews major developments in economic co-operation and integration in Eastern and Southern Africa since 1991 when a report on "Evaluation of Progress in Economic Integration in Eastern and Southern Africa: Ten Years After the Establishment of the Preferential Trade Area (PTA) for Eastern and Southern African States" was presented to the First Meeting of the Intergovernmental Committee of Experts by the Lusaka-based MULPOC secretariat. In that evaluation, it was pointed out that economic integration had progressed at a snails pace mainly because the decade of the 1980s had coincided with adverse conditions in the world economy. Furthermore, the institutional frameworks were inadequate to meet the challenges of integration and the economic and social crisis. It was also shown that intra-subregional trade, payments, clearing and credit facilities functioned at a very low level to induce economic integration. Sectoral integration had barely taken root ten years after the establishment of the PTA.

The integration strategy pursued in the subregion has been to promote trade, and yet intra-trade stimulation has not materialized, instead it has stagnated at around 4.5 per cent. The objective pursued by many countries to do away with inefficient national import substitution policies as a basis for national development has also failed to materialize. The recession and economic and social crisis of the 1980s has had a spill over effect into the 1990s and this provided an impetus for many countries to undertake economic reforms designed to restructure national economies so as to reflect adjustments to the emerging world economy. The reforms being pursued include a shift from the inward-looking orientation and import substitution policies. The reforms encourage open economic and political systems which are more transparent and competitive. Coupled

with these reforms, there is a growing realization that economic co-operation and integration should transcend mere trade. This realization is reflected in recent pronouncements by the PTA and the Southern African Development Community (SADC). Both organizations place added emphasis on the involvement of the media, non-governmental organizations and the private (business) sector in the pursuit of economic integration. This new orientation is expected to galvanize the process of economic integration in the 1990s.

RECENT DEVELOPMENTS

At regional level, one significant development has been the signing of the Abuja Treaty establishing the African Economic Community (AEC) in June 1991 by the Summit of the OAU Heads of State and Governments. The Treaty's major aim is to mobilize, co-ordinate and utilize at a regional level resources of African countries with a view to promoting economic, social and cultural development and integration. The Treaty embodies a plan providing for the progressive establishment of the African community over a period not exceeding 34 years from the date of its entry into force. Currently, the Treaty has been distributed to African member States for ratification. The Treaty requires ratification by two thirds of the members of the OAU to enter into force. By August 1992, only sixteen member States had done so (see annex). Some of the provisions of the Treaty include extending and inter-connecting physical infrastructures of member States; integrated development of production structures in all sectors particularly in basic industries and in agriculture for food security and collective self-sufficiency; and market integration through measures for trade liberalization; an efficient payments settlement system and currency convertibility.

At subregional level, in January 1992, the PTA launched a Trade and Development Strategy which seeks to transform the PTA into a subregional market for Eastern and Southern Africa. The strategy was endorsed by the Summit of Heads of State and/or Governments. During the January 1992 Summit, it was also decided to merge the PTA and SADC. A year later the Eleventh Summit of the Authority of the PTA endorsed the Treaty for the transformation of the PTA into the Common Market for Eastern and Southern African States (COMESA) as well as its timetable for the negotiations of the COMESA Treaty.

Meanwhile, the hitherto Southern African Development Co-ordination Conference (SADCC) also moved a step further and transformed itself into a Community through the signing of the Southern Africa Development Community (SADC) Treaty in Windhoek, Namibia in August 1992. At its Annual Consultative Conference held in Harare, Zimbabwe from 27 - 29 January, 1993, it was agreed that the SADC framework and strategy for developing the community should involve concrete and actionable programmes and projects providing for full participation of the people of the subregion. The conference emphasized the need to strengthen and improve the organizational structures and management of SADC as well as clear prioritization process of the programmes and activities of economic integration.

With regard to the relations between PTA and SADC, the SADC Summit held in Windhoek in August 1992 decided that PTA and SADC had distinct objectives and mandates, and must therefore, continue to exist as autonomous, but complementary entities. This decision was noted by the Authority of the PTA in Lusaka, Zambia in January 1993. But the Authority went further and agreed that:

- (a) "the matter be resolved at the political level by the Authority with the support of a Joint Committee of Ministers made up of three Ministers each from PTA and SADC which will examine the question of harmonization and co-ordination between PTA and

SADC and the issue of merger of the two institutions. The Committee would have the option of engaging consultants to facilitate its tasks; and that

- (b) a dialogue be initiated at the level of the Chairman of the SADC Summit with a view to resolving the major issues amicably".

Meanwhile the SADC Consultative Conference held in Harare in January 1993 noted the decisions of the PTA Authority and agreed that the matter merited urgent attention.

CONCLUSION

There is need for the two organisations to find clear complementary roles and functions for each other; to avoid wasteful duplication and overlapping jurisdictions that can lead to conflict. This can be done through a clear legal framework for the harmonization, co-ordination and rationalization of the two organizations in a precise protocol. The reality of the subregion which will include post-apartheid South Africa, the most powerful economy on the African continent dictates that a large-scale sub-regional market should be forged as soon as possible capable of creating a climate conducive to investment particularly foreign direct investment which so far has been wanting in the subregion.

Whether the two organizations merge or not, the issue of economic integration can best be addressed if clear-cut institutional parameters are established with defined role functions. So far neither SADC nor PTA have moved to this stage. ECA had made it clear both to PTA and SADCC that it stands ready to assist in the envisaged study as well as in the strengthening of their institutional framework.

The issue of economic integration is not a simple one. Studies should be carried out to investigate the approach to integration that governments of the subregion want. There are federalist or neo-functionalist approaches. But studies should also cover sectoral aspects such as agriculture, monetary, fiscal, tariff, exchange regimes and non-tariff barriers. A subregional research capacity should be developed to fill this gap.

LIST OF COUNTRIES WHICH HAVE SIGNED/RATIFIED THE TREATY
ESTABLISHING THE AFRICAN ECONOMIC COMMUNITY AS AT AUGUST 1992

| Country/pays | Date of/de signature | Date of/de ratification | Date deposited Date de depot |
|-------------------------|-------------------------|----------------------------|---------------------------------------|
| 1. Algeria | 03/06/91 | | |
| 2. Angola | " | 11/04/92 | 23/06/92 |
| 3. Benin | 27/02/92 | | |
| 4. Botswana | 03/06/91 | | |
| 5. Burkina Faso | " | 19/05/92 | 17/06/92 |
| 6. Burundi | " | 05/08/92 | 06/10/92 |
| 7. Cameroon | " | | |
| 8. Cape Verde | " | | |
| 9. Central African Rep. | " | | |
| 10. Chad | " | | |
| 11. Comoros | " | | |
| 12. Congo | " | | |
| 13. Côte d'Ivoire | " | | |
| 14. Djibouti | " | | |
| 15. Egypt | " | | |
| 16. Equatorial Guinea | " | | |
| 17. Ethiopia | " | | |
| 18. Gabon | " | | |
| 19. Gambia | " | | |
| 20. Ghana | " | 25/09/91 | 25/10/91 |
| 21. Guinea | " | 17/07/92 | 21/09/92 |
| 22. Guinea-Bissau | " | 24/06/92 | 30/06/92 |
| 23. Kenya | " | | |
| 24. Lesotho | " | | |
| 25. Liberia | " | | |

| Country/pays | Date of/de signature | Date of/de ratification | Date deposited Date de depot |
|---|-------------------------|----------------------------|---------------------------------------|
| 26. Libya | 03/06/91 | | |
| 27. Madagascar | " | | |
| 28. Malawi | " | | |
| 29. Mali | " | | |
| 30. Mauritania | " | | |
| 31. Mauritius | " | 14/02/92 | 27/02/92 |
| 32. Mozambique | " | 14/05/92 | 09/07/92 |
| 33. Namibia | " | 28/06/92 | 01/07/92 |
| 34. Niger | " | 22/06/92 | 22/07/92 |
| 35. Nigeria | " | 31/12/91 | 09/01/92 |
| 36. Republic Rwandaise | " | | |
| 37. Sahrawi Arab Democratic Republic | " | | |
| 38. Sao Tome & Principe | " | | |
| 39. Senegal | " | 26/02/92 | 18/03/92 |
| 40. Seychelles | " | 11/10/91 | 07/11/91 |
| 41. Sierra Leone | " | | |
| 42. Somalia | " | | |
| 43. Sudan | " | | |
| 44. Swaziland | 29/06/92 | | |
| 45. Tanzania | " | 10/01/92 | 03/02/92 |
| 46. Togo | " | | |
| 47. Tunisia | " | | |
| 48. Uganda | " | 31/12/92 | 09/03/92 |
| 49. Zaire | " | | |
| 50. Zambia | " | | |
| 51. Zimbabwe | " | 06/11/91 | 26/11/91 |